

**BY-LAWS
OF THE
HIGHGROVE HOMEOWNERS' ASSOCIATION, INC.**

A Corporation Not-for-Profit Under the Laws of the State of Florida

The following are the By-Laws of HIGHGROVE HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association," a corporation not-for-profit, organized and existing under the laws of the State of Florida, which By-Laws have been duly adopted by the Board of Directors of the Association. All terms used herein which are defined in the Highgrove Declaration of Restrictive Covenants (hereinafter referred to as "the Declaration"), as recorded among the Official Public Records of Leon County, Florida, shall be deemed to have the same definition herein.

1. Seal. The seal of the Association shall bear the name of the corporation, the word "Florida," the words "Corporation Not For Profit," and the year of incorporation.

2. Members Meetings.

(a) The annual members' meeting will be held at such place in Leon County, Florida, as is determined by the Association's Board of Directors, at 7:30 p.m., Eastern Standard Time, during the month of February of each year beginning 1992, for the purpose of electing Directors and/or transacting any other business authorized to be transacted by the members.

(b) Special meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-fifth (1/5) of the votes of the entire membership.

(c) Notice of all members' meetings, stating the time and place and the objects for which the meeting is called, shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than seven (7) days nor more than sixty (60) days prior to the date of the meeting. Notice of meeting may be waived before or after meetings.

(d) A quorum at such meetings shall consist of persons entitled to cast at least one-fourth (1/4) of the votes of the entire membership.

(e) In any such meeting, each member shall be entitled to cast one vote for each lot owned by said member. If a house is owned by more than one person, or is under lease, the person entitled to cast the vote for the house shall be designated by a certificate signed by all of the record owners of the house and filed with the Secretary of the Association. If the house is owned by a corporation, the person entitled to cast the vote for the house shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked, or until superseded by a subsequent certificate, or until the Association has been duly notified in writing of a change of ownership. A certificate designating the person entitled to cast the vote of a homeowner may be revoked in writing by any owner thereof.

(f) Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be made in writing, signed by its grantor and filed with the Secretary before the appointed time of the meeting.

(g) The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

- (i) election of chairman;
- (ii) calling of the roll and certifying of notice;

- (iii) proof of notice of meeting or waiver of notice;
- (iv) reading and approval of prior minutes;
- (v) reports of officers;
- (vi) reports of committees;
- (vii) election of directors (if necessary);
- (viii) unfinished business;
- (ix) additional new business; and
- (x) adjournment.

3. Directors.

(a) The affairs of the Association shall be managed by a Board of seven (7) Directors who shall serve for one year. Directors shall not include any person who does not own a lot in Highgrove.

(b) Commencing with the 1986 annual meeting, the election of Directors shall be conducted at the annual meeting of members. A nominating committee of three (3) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual meeting. The committee shall nominate seven (7) Directors. Additional nominations for Directors may be made from the floor. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

(c) Except as to vacancies provided by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(d) Any Director elected by the members may be removed by concurrence of two-thirds (2/3) of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

(e) The term of each Director's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in a manner elsewhere provided.

4. Directors' Meetings.

(a) The organizational meeting of a newly elected Board of Directors shall be held within thirty (30) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected.

(b) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors; notice of regular meetings shall be given to each Director at least three days prior to the day named for such meeting.

(c) Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of a majority of the Directors. Notice of the meeting shall be given at least three days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

(d) Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

(e) A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of Directors is required by the Restrictive Covenants, Articles of Incorporation, or these By-Laws. If at any meeting of the Board of Directors less than a quorum is present, the majority of those present may adjourn the meeting from time to time until a quorum is

present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

(f) The presiding officer of Directors' meetings shall be the President. In the absence of the presiding officer, the Vice President shall preside.

(g) The order of business at Directors meetings shall be:

- (i) calling of the roll;
- (ii) proof of due notice of meeting;
- (iii) reading and approval of minutes of the prior meeting;
- (iv) reports of officers and committees;
- (v) election of officers;
- (vi) unfinished business;
- (vii) new business; and
- (viii) adjournment.

5. Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under the Declarations, the Articles of Incorporation, and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to the approval by homeowners when such is specifically required. Compensation of employees of the Association shall be fixed by the Directors. A Director may be an employee of the Association, and a contract for management of the Association may be entered into with a Director.

6. Officers.

(a) The executive officers of the Association shall be a President, who shall be a Director, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected annually by the Board of Directors and who may be removed by vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board of Directors may from time to time elect other officers to exercise such powers and duties as the Board shall find to be required to manage the affairs of the Association. Any compensation of officers shall be determined and fixed by the Board of Directors.

(b) The President shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the Office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association.

(c) The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

(d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

(e) The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practice and shall perform all other duties incident to the office of Treasurer.

7. Accounting. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) "Current Expenses", which shall include all funds and expenditures to be made within the year for which funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements, or to operations, the balance in this fund at the end of such year shall be applied to reduce the assessments for current expenses for the succeeding year.

(b) "Reserve for replacement and additional improvements" which shall include funds for maintenance items which occur less frequently than annually, funds for repair or replacement required because of damage, depreciation or obsolescence, and funds to be used for capital expenditures for additional improvements or additional personal property which will be part of the common elements and areas.

(c) The Board shall make available an annual financial report and complete records of its financial transactions for the completed year for review by the members at the annual meeting. The board may elect to present an annual independent audit or financial review of the Association's funds, financial statements, and accounts to the members of the association at the annual meeting of the Association.

8. Budget. The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray common expense and to provide funds for the accounts listed in Section 7 of these By-Laws.

9. Assessments.

(a) Assessments against the homeowners for their share of the items of the budget shall be made on or before December 31 of the year preceding the year for which the assessments are made. Such assessments shall be due in monthly payments on the first day of each month for which assessments are made. If an assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the assessment proves to be insufficient, the budget and assessments therefore may be amended at any time by the Board of Directors if the items of the amended budget do not exceed the limitations thereon for that year. Any item which does exceed the limitation shall be subject to the approval of the membership of the Association as provided in the Declarations. The unpaid assessment for the remaining portion of the calendar month for which the amended assessment is made shall be due upon the date of the annual assessment.

(b) If a homeowner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice thereof to the homeowner, and thereupon the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

(c) Assessments for common emergency expenses which cannot be paid from the annual assessments for common expenses shall be made only after notice of the need therefore to the homeowners concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half (1/2) of the votes of the homeowners concerned, the assessment shall become effective, and it shall be due after thirty (30) days' notice thereof in such a manner as the Board of Directors may require.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

(e) Fidelity Bonds may be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors.

(f) Commencing in the year of 1993, One Hundred and Fifty Dollars and No Cents (\$150.00) of the annual assessment, and any subsequent yearly allowable increase made for road-related expenses, shall be maintained in a separate interest bearing account to be used solely to pay such expenses. Provided, however, the Board of Directors may in any year reduce the \$150.00 allocation of the annual assessment for such expenses to a sum of not less than \$75.00. As used in this paragraph, "road-related expenses" means expenses incurred to keep the roads within Highgrove safe, functional, and in good condition, including without limitation amounts incurred to maintain, repair, and improve the roads; to prevent or mitigate damage to the roads due to flooding, runoff, and other causes and to remedy any such damage; to install, repair, and maintain signage along the roads; to keep the roads clear of obstruction; and to obtain easements, equipment, and other property and legal, engineering, and other services for any of the foregoing purposes.

10. Amendments. The By-Laws may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

(b) An amendment may be proposed by either the Board of Directors or by at least five (5) members of the Association. The same must be approved by at least a majority of the votes of the members of the Association.